

Council on Postsecondary Education
January 30, 2006

**Analysis of the 2006-08
Executive Budget Recommendation**

The Executive Budget for 2006-08 recommended just under \$55 million in funding increases for operating and incentive funding for postsecondary education. This increase is approximately 25 percent of the Council recommendation. **Attachment A** itemizes the recommendation and compares it to the Council recommendation.

In addition, the Executive Budget includes General Fund debt service for \$260 million in state funded projects (**Attachment B**) and allows the institutions to fund with agency bonds another \$205 million in capital projects (**Attachment C**). The appropriations recommended for state funded projects constitutes about 51 percent of the Council recommendation, and the agency funded projects about 40 percent of the Council request.

Major components of the Executive Budget recommendation (biennial increases):

- Benchmark Funding - \$30 million (3 percent increase)
- Performance Funding - \$1 million
- Adult Education - \$3 million (13.6 percent increase)
- Research Support (UK and UofL) - \$9 million
- Regional Stewardship - \$3.6 million
- Workforce/Transfer (KCTCS) - \$1.5 million

In addition, there were several special initiatives that received increases or new funding in the Executive Budget. The programs and funding increases over the biennium are as follows:

- Virtual University databases (\$350,000)
- College Access Initiative (\$717,000)
- P-16 Engineering Pipeline (\$350,000)
- College-Level Learning Assessment (\$150,000)
- Academic Innovation and Collaborative Grants (\$250,000)
- Faculty Development (\$35,500)
- Public Health Initiative (\$150,000)
- Principal Leadership Institute (\$1 million)
- Virtual Library-Inter-Library Loan Courier Service (\$85,000)
- Minority Student College Preparation Program (\$67,500)
- SREB Doctoral Minority Scholars Program (\$45,000)
- Contract Spaces (\$922,300)
- Professional Development P-16 (\$500,000)
- Mining Engineering (\$200,000)

**Analysis of HB 380 - 2006-08 Executive Budget
State General Fund Appropriations**

	<u>Enacted FY 2005-06 Base</u>	<u>2006-08 Biennial Total Increase</u>				
		<u>Council Recommendation</u>	<u>Percent Increase</u>	<u>Executive Budget</u>	<u>Percent Increase</u>	<u>Difference Executive & CPE</u>
Base Funding						
EKU	\$ 73,622,800	\$ 7,362,200	10.0%	\$ 1,954,700	2.7%	\$ (5,407,500)
KCTCS	201,776,300	39,104,200	19.4%	7,362,900	3.6%	(31,741,300)
KSU	24,374,800	1,920,500	7.9%	1,883,700	7.7%	(36,800)
MOSU	43,428,300	4,342,800	10.0%	960,100	2.2%	(3,382,700)
MUSU	53,044,600	5,159,800	9.7%	958,800	1.8%	(4,201,000)
NKU	46,601,800	11,173,600	24.0%	1,943,100	4.2%	(9,230,500)
UK	306,341,800	27,346,600	8.9%	7,075,600	2.3%	(20,271,000)
UofL	154,261,900	27,556,700	17.9%	5,218,600	3.4%	(22,338,100)
WKU	74,836,600	13,723,400	18.3%	2,642,500	3.5%	(11,080,900)
 Total Institutional Base Funding	 978,288,900	 137,689,800	 14.1%	 30,000,000	 3.1%	 (107,689,800)
Other Institutional	-	-		700,000		(700,000)
Performance Funding	-	3,500,000		1,000,000		(2,500,000)
Council Operations	10,844,700	3,431,300	31.6%	1,145,000	10.6%	(2,286,300)
Adult Education	22,026,000	6,000,000	27.2%	3,000,000	13.6%	(3,000,000)
Subtotal	\$ 1,011,159,600	\$ 150,621,100	14.9%	\$ 35,845,000	3.5%	\$ (116,176,100)
 Trust Funds / Incentive Funding Programs						
Endowment Match	-	12,000,000		-		(12,000,000)
Research Support (Nonrecurring)	-	18,000,000		6,000,000		(18,000,000)
Research Support (Recurring)	-	4,000,000		3,000,000		(2,500,000)
Science and Technology	10,005,900	850,000	8.5%	350,000	3.5%	(500,000)
Regional Stewardship	-	18,000,000		3,600,000		(14,400,000)
Technology Trust Fund	2,050,500	3,801,600	185.4%	2,002,500	97.7%	(1,799,100)
Workforce / Transfer Nonrecurring	-	500,000		300,000		(200,000)
Workforce / Transfer Recurring	-	3,500,000		1,200,000		(3,500,000)
 Subtotal	 \$ 12,056,400	 \$ 60,651,600	 503.1%	 \$ 16,452,500	 136.5%	 \$ (44,199,100)
 Special Initiatives / Pass-Through						
Council Initiatives / Pass-Through	6,228,300	7,496,200	120.4%	2,647,300	42.5%	4,848,900
Institutional Special Initiatives	-	4,800,000		-		(4,800,000)
 Subtotal	 \$ 6,228,300	 \$ 12,296,200	 197.4%	 \$ 2,647,300	 42.5%	 \$ (9,648,900)
 TOTAL	 \$ 1,029,444,300	 \$ 223,568,900	 21.7%	 \$ 54,944,800	 5.3%	 \$ (170,024,100)

CPE v Executive Budget Recommendations
General Fund Capital Projects Priorities
2006-08

System Priority	Institution/Project Name	CPE Recommendation			Executive Budget			
		Total Scope	Bonds or State Funds	Agency Bonds Other Funds	Total Scope	State Bonds	Agency Bonds	Institution Federal Funds
Project Category: Current Infrastructure Repairs/Replacement/Improvements								
1	Capital Renewal, Replacement, and Maintenance Pool	\$ 15,000,000	\$ 15,000,000		\$ 13,000,000	\$ 13,000,000		
2	Information Technology/Instructional Equipment Purchase Pool	25,000,000	25,000,000		Project not in Executive Budget.			
	Total - Infrastructure, Repairs, Replacement, & Improvements	\$ 40,000,000	\$ 40,000,000	\$ -	\$ 13,000,000	\$ 13,000,000	\$ -	\$ -
Project Category: E&G and Postsecondary Ed Center Projects								
1	MoSU Construct Center for Health, Education, and Research (1)	\$ 20,000,000	\$ 15,000,000	\$ 5,000,000	\$ 20,000,000	\$ 15,000,000		\$ 5,000,000
2	KCTCS Construct Science/Allied Health Bldg Jefferson Community (2)	25,557,000	25,557,000		Project not in Executive Budget.			
3	KCTCS Construct Allied Health/Tech Ed Bldg, Somerset CC Laurel (3)	13,815,000	13,815,000		13,200,000	13,200,000		
4	NKU Renovate Old Science Building (1)	15,000,000	15,000,000		14,192,000	14,192,000		
5	MuSU Construct New Science Complex Phase III (1)	15,000,000	15,000,000		Project not in Executive Budget.			
6	WKU Renovate Science Campus, Phase III (2)	7,000,000	7,000,000		6,700,000	6,700,000		
7	NKU Construct Health Innovation Center (3)	20,085,000	20,085,000		Project not in Executive Budget.			
8	KSU Hathaway Hall Renovation, Phase III (1)	4,920,000	4,920,000		4,707,000	4,707,000		
9	EKU Construct Science Building (1)	54,107,950	54,107,950		Project not in Executive Budget.			
10	NKU Construct Center for Informatics (2)	23,075,000	23,075,000		Project not in Executive Budget.			
11	UK Construct Gatton Building Complex (2)	79,289,750	40,452,750	38,837,000	Project not in Executive Budget.			
12	EKU/UK Dairy Research Project (Meadowbrook) (2)	5,300,000	5,300,000		5,121,000	5,121,000		
13	UofL Renovate Life Sciences Building (4)	18,240,000	18,240,000		Project not in Executive Budget.			
14	KCTCS Construct Emerging Tech Cntr West KY Comm & Tech (1)	16,518,000	16,518,000		15,473,000	15,473,000		
15	WKU Replace College of Education - Tate Page Hall Building (1)	35,000,000	22,750,000	12,250,000	Project not in Executive Budget.			
*NEW	KCTCS Construct Advanced Manufacturing Tech - Gateway C&TC	Project not recommended by CPE.			26,607,000	26,607,000		
	Total - (E&G) General Fund Projects Requested	\$ 352,907,700	\$ 296,820,700	\$ 56,087,000	\$ 106,000,000	\$ 101,000,000	\$ -	\$ 5,000,000
Project Category: Research & Economic Development Projects @ 100%								
1	UK Construct Biological/Pharmaceutical Complex, Phase II (1)	\$ 79,892,000	\$ 79,892,000		\$ 75,968,000	\$ 75,968,000		
2	UofL Construct HSC Research Facility IV (1)	69,680,000	69,680,000		65,997,000	65,997,000		
3	WKU Construct Materials Characteristics, Phase II (4)	4,500,000	4,500,000		4,311,000	4,311,000		
4	MuSU Construct New Breathitt Veterinary Center (3)	16,250,000	16,250,000		Project not in Executive Budget.			
	Total - (R&ED) General Fund Projects Requested	\$ 170,322,000	\$ 170,322,000	\$ -	\$ 146,276,000	\$ 146,276,000	\$ -	\$ -
Project Category: Project Planning and Design								
2	UK Construct Bio-Medical Research Building (4)	\$ 95,000,000			Project not in Executive Budget.			
	Total - Planning & Design	\$ 95,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
System Total - General Fund Projects Recommendation		\$ 658,229,700	\$ 507,142,700	\$ 56,087,000	\$ 265,276,000	\$ 260,276,000	\$ -	\$ 5,000,000
Percent CPE Request Funded					40.30%	51.32%		

**CPE v. Executive Budget Recommendations
Capital Projects - Agency Bond Authority
2006-08**

Institution and Project Title	CPE Recommendation			Executive Budget			
	Project Scope	Agency Bonds	Inst/Other Funds	Project Scope	Agency Bonds	Rest/Federal	Other
Eastern Kentucky University							
1 Construct New Student Housing	\$ 10,520,000	\$ 10,520,000		\$ 9,961,000	\$ 9,961,000		
Subtotal - EKU	\$ 10,520,000	\$ 10,520,000	\$ -	\$ 9,961,000	\$ 9,961,000	\$ -	\$ -
Kentucky State University							
1 Construct Parking Structure	\$ 7,000,000	\$ 7,000,000			Project not in Executive Budget.		
2 Construct New Residence Hall (Privatized)	20,000,000	20,000,000			Project not in Executive Budget.		
Subtotal - KSU	\$ 27,000,000	\$ 27,000,000	\$ -				
Morehead State University							
1 Construct Student Recreation Center	\$ 17,000,000	\$ 17,000,000			Project not in Executive Budget.		
2 Construct Apartment Housing Complexes - Phase II	6,000,000	6,000,000			Project not in Executive Budget.		
3 Construct Parking Structure	7,000,000	7,000,000			Project not in Executive Budget.		
4 Renovate Student Housing Facilities	10,000,000	10,000,000			Project not in Executive Budget.		
Subtotal - MoSU	\$ 40,000,000	\$ 40,000,000	\$ -				
Murray State University							
1 New Residential College (Replace Richmond Hall)	\$ 13,077,000	\$ 13,077,000		\$ 12,106,000	\$ 12,106,000		
2 Renovate Waterfield Library	8,000,000	4,000,000	\$ 4,000,000		Project not in Executive Budget.		
3 Replace Franklin Hall	13,077,000	13,077,000			Project not in Executive Budget.		
4 Renovate Curris Center and T-Room	750,000	750,000			Project not in Executive Budget.		
Subtotal - MuSU	\$ 34,904,000	\$ 30,904,000	\$ 4,000,000	\$ 12,106,000	\$ 12,106,000	\$ -	\$ -
Northern Kentucky University							
1 Construct New Student Union	\$ 16,250,000	\$ 16,250,000		\$ 17,360,000	\$ 17,360,000		
2 Construct Parking Garage #3	15,400,000	15,400,000			Project not in Executive Budget.		
3 Construct Parking Garage #4	9,200,000	9,200,000			Project not in Executive Budget.		
4 Expand Norse Commons	1,400,000	1,400,000			Project not in Executive Budget.		
5 Construct Student Housing	23,000,000	23,000,000			Project not in Executive Budget.		
Subtotal - NKU	\$ 65,250,000	\$ 65,250,000	\$ -	\$ 17,360,000	\$ 17,360,000	\$ -	\$ -

**CPE v. Executive Budget Recommendations
Capital Projects - Agency Bond Authority
2006-08**

Institution and Project Title	CPE Recommendation			Executive Budget			
	Project Scope	Agency Bonds	Inst/Other Funds	Project Scope	Agency Bonds	Rest/Federal	Other
University of Kentucky							
1 Construct Patient Care Facility Phase II	\$ 175,000,000	\$ 150,000,000	\$ 25,000,000	\$ 155,000,000	\$ 130,000,000	\$ 25,000,000	
2 Renovate Blazer Hall Cafeteria	3,010,000	3,010,000			Project not in Executive Budget.		
3 Install HVAC in Keeneland Hall	7,013,000	7,013,000			Project not in Executive Budget.		
4 Renovate Student Center Food Court	1,643,000	1,643,000			Project not in Executive Budget.		
5 Renovate K-Lair Building	4,650,000	4,650,000			Project not in Executive Budget.		
Subtotal - UK	\$ 191,316,000	\$ 166,316,000	\$ 25,000,000	\$ 155,000,000	\$ 130,000,000	\$ 25,000,000	\$ -
University of Louisville							
1 Construct Center for Predictive Medicine	\$ 35,200,000	\$ 13,000,000	\$ 22,200,000	\$ 33,749,000	\$ 11,549,000	\$ 22,200,000	
2 Construct HSC Parking Structure II	26,113,000	26,113,000			Project not in Executive Budget.		
3 Construct Residence Hall, 500 Bed	33,172,000	33,172,000			Project not in Executive Budget.		
4 Construct Basketball Practice Facility, Phase II	16,140,000	16,140,000			Project not in Executive Budget.		
5 Renovate Medical Dental Research Building - Phase IV	19,800,000	19,800,000			Project not in Executive Budget.		
Subtotal - UofL	\$ 130,425,000	\$ 108,225,000	\$ 22,200,000	\$ 33,749,000	\$ 11,549,000	\$ 22,200,000	\$ -
Western Kentucky University							
1 Renovate Academic/Athletic #2	\$ 28,500,000	\$ 25,500,000	\$ 3,000,000	\$ 27,156,000	\$ 24,156,000	\$ 2,000,000	\$ 1,000,000
2 Renovate Van Meter Hall	16,000,000	16,000,000			Project not in Executive Budget.		
3 Renovate Ivan Wilson Center	8,000,000	8,000,000			Project not in Executive Budget.		
4 Expand Preston Center	10,000,000	10,000,000			Project not in Executive Budget.		
5 Acquire Prop. & Con. Parking	4,000,000	4,000,000			Project not in Executive Budget.		
Subtotal - WKU	\$ 66,500,000	\$ 63,500,000	\$ 3,000,000	\$ 27,156,000	\$ 24,156,000	\$ 2,000,000	\$ 1,000,000
System Total	\$ 565,915,000	\$ 511,715,000	\$ 54,200,000	\$ 255,332,000	\$ 205,132,000	\$ 49,200,000	\$ 1,000,000
Percent of CPE Agency Bond Recommendation Funded				45.12%	40.09%		